

## *RI Chamber of Commerce Coalition*

February 24, 2021

The Honorable Anastasia Williams  
House Labor Committee  
State House  
Providence RI 02903

Dear Chairwoman Williams and Committee Members,

We, the undersigned Chambers of Commerce, would like to respectfully raise significant concerns regarding H.5130, An Act Relating to Labor and Labor Relations – Minimum Wage.

Members of the business community understand and appreciate the desire to improve wages in the state. We share the goal of ensuring Rhode Islanders have the employment opportunities and earning capacity to support themselves and their families. However, the State's business community continues to experience the significant economic strains of the 2020 pandemic, and these challenges are expected to continue for the foreseeable future. Adding the proposed increases in the minimum wage to the continued state-mandated capacity restrictions currently in place will only compound the barriers to getting the economy going again, adding significant costs to reestablishing and growing Rhode Island's small businesses.

Last month, the Providence Journal reported, *"Since the outbreak of the coronavirus in March the state is down 46,500 jobs, marking one of the worst years for losses in Rhode Island's history. The hardest-hit workers lost jobs at restaurants, bars, hotels, arts and entertainment venues, and retail shops. Almost all industry sectors gave up jobs last year with manufacturing and construction suffering among the smallest losses."* ("R.I. job market had poor finish to an awful year" Friday January 22, 2021, pg. A10)

In addition, HIS Markit's forecast, provided at the 2020 Revenue Estimating Conference, estimated that the economic rebound would begin in the fourth quarter of 2020; but it will take time to recover to pre-COVID-19 levels. Mr. Lynch stated, "The annual average unemployment rate remains in the double digits in 2021, and nonfarm payrolls do not fully recover until 2023." (May, 2020 Revenue Estimating Conference Memorandum, May 18, 2020, pg. 4). If the state proceeds with raising the minimum wage during the period where businesses are struggling to emerge from the pandemic, it will have a smothering effect on businesses, and the people they employ.

There are other costs that are directly impacted by the proposed increase in the minimum wage. For example, if the minimum wage is increased as proposed, businesses will endure additional unemployment insurance premiums, workers' compensation insurance premiums and FICA payments. Also, Rhode Island remains the *only state in the country* that requires employers to pay premium pay to employees who work Sundays and holidays as part of their normal forty (40) hour work week. For these employers, an increase in the minimum wage rate is an even greater hardship. These additional costs of doing business are not considered as part of this proposal and are simply increases that most businesses, especially our small businesses, cannot absorb without directly impacting their ability to remain open or to bring employees back to stabilize and grow in a post-pandemic environment.

In addition, these and other related costs associated with the proposed increase in the minimum wage are increases that cannot be passed onto a dwindling customer base under the current circumstances. Unfortunately, while businesses have tried to be creative and remain agile in this new world, the current pandemic situation is imposing significant strains on businesses, forcing many to make very difficult decisions about staffing and benefits for those that remain.

We would respectfully ask the committee to consider delaying the implementation of a minimum wage increase until after that timeframe, so that we can give businesses and their employees an opportunity to regain their footing and begin to grow and invest again.

As always, the business community stands ready to work with you. We are confident that together we can find a solution that can improve Rhode Islanders' livelihoods and ensure our local businesses recover and begin to thrive again.

Thank you for your consideration, and we look forward to discussing this further with you and the Committee.

Respectfully Submitted,

Lauren Slocum, President & CEO, Central RI Chamber of Commerce  
Michelle Hughes, Chairwoman, East Bay Chamber of Commerce  
Mike Mancuso, President, East Greenwich Chamber of Commerce  
Laura McNamara, Executive Director, East Providence Chamber of Commerce  
Erin Donovan-Boyle, Executive Director, Greater Newport Chamber of Commerce  
Peg Fradette, Chamber Operations Manager, Narragansett Chamber of Commerce  
Liz Catucci, President & CEO, Northern RI Chamber of Commerce  
Joe Viele, Executive Director, Southern RI Chamber of Commerce